

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 719 - HB 862**

February 17, 2013

**SUMMARY OF BILL:** Broadens eligibility for the HOPE scholarship to include a dependent child of headquarters staff employees who are on assignment in a foreign nation for more than one year; who were Tennessee residents before leaving the United States; and who intend to return to Tennessee upon completion of their assignment. Requires such dependent children to be claimed as a dependent for federal tax purposes; be under the age of 21; reside in a foreign nation only while their parent is on full-time assignment; graduate from an accredited high school in the foreign nation and meet the requirements of Tenn. Code Ann. § 49-4-907(3) or complete high school in a home school while residing in the foreign nation, and meet the requirements for eligibility under Tenn. Code Ann. § 49-4-908(2)(A). Establishes eligibility for such students beginning in the 2013-2014 academic year.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures –**

**\$12,000/FY13-14/Lottery for Education Account**

**\$22,000/FY14-15/Lottery for Education Account**

**Exceeds \$22,000/FY15-16 and Subsequent Fiscal Years/  
Lottery for Education Account**

**Assumptions:**

- According to the Tennessee Student Assistance Corporation (TSAC), in FY13-14, three additional students will qualify for a HOPE scholarship as a result of this bill. Two students will attend a four-year institution and receive a \$4,000 scholarship; a scholarship expenditure increase of \$8,000. One student will attend a two-year institution and receive a \$2,000 scholarship and one student will attend summer school and receive an additional \$2,000 scholarship.
- In FY13-14, the total increase in state expenditures from the Lottery for Education Account (LFEA) will be \$12,000 (\$8,000 + \$2,000 + \$2,000).
- In FY14-15, TSAC estimates that three new students will come into the program as a result of this bill (two will attend a four-year institution; one will attend a two-year institution; and one will attend summer school), an increase in state expenditures from the LFEA of \$12,000.
- TSAC estimates that two students from FY13-14 will renew their scholarships in FY14-15. Both students attend four-year institutions and receive \$4,000 scholarships; a

scholarship expenditure increase of \$8,000; and one of the renewing students will attend summer school and receive an additional \$2,000 scholarship.

- In FY14-15, the total increase in state expenditures from the LFEA will be \$22,000 (\$12,000 + \$8,000 + \$2,000).
- In FY15-16 and subsequent fiscal year, the recurring increase in state expenditures from the LFEA will exceed \$22,000.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

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